

FACT SHEET FOREIGN CONTENT POLICY

Ex-Im Bank's loans and guarantees may support goods containing foreign-made components, subject to the following guidelines:

MEDIUM-TERM LOANS AND GUARANTEES

Foreign content guidelines for medium-term transactions follow an aggregate approach for each U.S. supplier's invoices contained in a single request for guarantee or disbursement. Foreign content guidelines for long-term transactions and projects follow an item-by-item approach.

Eligibility

To be eligible for support, items covered in a request for guarantee or disbursement must be shipped from the U.S., and the aggregate foreign cost of the items must be less than 50 percent of the total production cost of the items.

Level of Ex-Im Bank Support

For each particular request for guarantee or disbursement, Ex-Im Bank will support the lesser of:

- a. 100 percent of the U.S. content of the invoiced items, or
- b. 85 percent of the U.S. contract price (including foreign content) of the aggregate of the invoiced items.

A cash payment of at least 15 percent of the total contract price of the items is required.

LONG-TERM LOANS AND GUARANTEES

Foreign content guidelines for long-term transactions and projects follow an item-by-item approach.

Eligibility

To be eligible for Ex-Im Bank support, an item must be shipped from the U.S. and the foreign content of the item (cost of foreign components incorporated into the item in the U.S.) must be less than 50 percent of the total cost to produce the item.

Level of Ex-Im Bank Support

Ex-Im Bank's loan or guarantee may support up to 100 percent of the U.S. content of the item, but may not exceed 85 percent of the total contract price of the item.

A cash payment of at least 15 percent of the total contract price of the item is required.

The term "total contract price of the item" used for this purpose excludes the supply of foreign items that are not deemed components of the U.S. item.

Services

Services performed by U.S.-based personnel employed by a company doing business in the U.S. are eligible for Ex-Im Bank support. Each defined task of a U.S. service contract shall constitute an item of supply. Eligible foreign content components of U.S. service contracts are limited to the costs of foreign personnel employed directly by the U.S. company for services performed under the contract, travel on non-U.S. carriers and per diem or related expenses incurred outside the U.S. Medium-term and long-term support for services follows the transaction guidelines outlined above.

Projects

When more than one U.S. item is supplied to a foreign project under long-term program support, inclusion of foreign components will be considered item-by-item, not by totals, aggregate, or average of items.

Ex-Im Bank support for items provided to foreign projects will be available as described above, even though the U.S. items aggregate less than 50 percent of the total project cost.

Shipping

The U.S. shipping cost for the item is considered U.S. content if it is included in the total contract price of the item.

Foreign shipping cost for the item, as permitted under P.R. 17, is considered to be a foreign component if it is included in the total contract price of the item.

Note: Ex-Im Bank's definition of foreign content does not include local content, i.e., costs incurred in the country of the buyer. Eligibility of local content for Ex-Im Bank support is determined case-by-case, depending on the competitive situation and the availability of local cost support from commercial sources. **Also:** Ex-Im Bank Insurance Program Foreign Content Restrictions Fact Sheet, EIB99-21.

Foreign Content Policy Example for Long-Term Transactions

Total	Items Covered	Components	Ex-Im Bank's Determination	Basis for Determination
\$500	Item 1: \$100	\$40 U.S.	Item Contract Price:	\$100
		\$20 U.S.	U.S. Content:	100%
		\$40 U.S.	Amount Financed:	\$85
			Cash Payment:	\$15
	Item 2: \$100	\$40 U.S. \$15 Foreign \$45 U.S.	Item Contract Price: U.S. Content: Amount Financed: Cash payment:	\$100 85% \$85 \$15
	Item 3: \$100	\$40 U.S. \$20 U.S. \$40 Foreign	Item Contract Price: U.S. Content: Amount Financed: Cash Payment:	\$100 60% \$60 \$40
	Item 4: \$100	\$40 U.S. \$20 Foreign \$40 Foreign	Item Contract Price: U.S. Content: Amount Financed:	\$100 40% 0
	Item 5: \$100 (Not shipped from U.S.)	\$100 Foreign	Item Contract Price: Amount Financed:	\$100 0

MORE INFORMATION

U.S. Toll Free Number: (800) 565-EXIM
Worldwide Number: (202) 565-3946
Business Development: (202) 565-3900 Fax (202) 565-3931
TDD: (202) 565-3377
Fax Retrieval: (800) 565-EXIM, press 1, press 2
E-Mail: bdd@exim.gov
Internet: <http://www.exim.gov>

Regional Offices:

Northeast - New York (212) 466-2950 Fax (212) 466-2959
Mid-Atlantic - DC (202) 565-3940 Fax (202) 565-3932
Southeast - Miami (305) 526-7425 Fax (305) 526-7435
Midwest - Chicago (312) 353-8081 Fax (312) 353-8098
Southwest - Houston (281) 721-0465 Fax (281) 679-0156
West - Long Beach (562) 980-4580 Fax (562) 980-4590
 Satellite - San Jose, CA (408) 271-7300 ext. 104 Fax (408) 271-7307
 Satellite - Orange County, CA (949) 660-1688 ext. 150 Fax (949) 660-8039

Engineering & Environment Division (202) 565-3570